



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0294	Title:	Soldier appreciation scholarships
Primary Sponsor:	Dickenson, Sue	Status:	As Amended in House Committee

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|-----------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$470,166	\$470,166	\$470,166	\$470,166
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u><u>(\$470,166)</u></u>	<u><u>(\$470,166)</u></u>	<u><u>(\$470,166)</u></u>	<u><u>(\$470,166)</u></u>

Description of fiscal impact: This proposal, as applicable to this fiscal analysis, directs the Board of Veterans Affairs to administer a soldier appreciation scholarship program for certain veterans enrolled in training, certificate or degree programs offered at a community college, tribal college or unit of the university system. Veterans potentially eligible for the scholarship are those who were eligible for special pay for imminent danger.

FISCAL ANALYSIS

Assumptions:

1. Current Military Affairs administrative staff can administer the program
2. Any costs (staff compensatory time or overtime) associated with administering the program will be determined and reported to the legislative finance committee, as in accordance with bill language.
3. The bill contains an appropriation for \$940,333.
4. Using sample data, an annual average tuition, was computed for 4-year campuses and for 2-year schools.
5. 50 scholarships would go to 4-year schools and 50 would go to 2-year schools including tribal colleges.
6. The same level of scholarships continue into the 2011 biennium.

	FY 2007 Tuition & Mandatory Fees (semester rate)	Annual amount
MSU-Bozeman	\$3,538	\$7,076
UM-Missoula	\$2,614	\$5,228
Average	\$3,076	\$6,152
Flathead	\$1,568	\$3,136
Miles	\$1,778	\$3,555
Dawson	\$1,532	\$3,063
Average	\$1,626	\$3,251

Type	Scholarships	Per Year	Per Biennium
4 - Year Schools	50	\$307,600	\$615,200
2 - Year Schools	50	\$162,567	\$325,133
Total		\$470,167	\$940,333

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$470,166	\$470,166	\$470,166	\$470,166
TOTAL Expenditures	\$470,166	\$470,166	\$470,166	\$470,166
<u>Funding of Expenditures:</u>				
General Fund (01)	\$470,166	\$470,166	\$470,166	\$470,166
TOTAL Funding of Exp.	\$470,166	\$470,166	\$470,166	\$470,166
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$470,166)	(\$470,166)	(\$470,166)	(\$470,166)

Technical Notes:

“NEW SECTION. Section 2. Definitions” provides the eligibility definition of a “Veteran” who may qualify for the proposed scholarship. The “Veteran” definition is contradictory as to who can qualify, specifically:

- Page 1, lines 28-29 states: “The term includes an individual who is a member of the Ready Reserve.”

- Page 1, line 30 and Page 2, line 1 states: “The term does not include an individual who is still on active status in the Reserve Component of the Armed Forces.”

The Ready Reserve force structure includes individuals who are still on active status in the Reserve Component of the Armed Forces, as well as categories of individuals who are in an “inactive” status (e.g., Individual Ready Reserve and Inactive National Guard). Therefore, the “Veteran” definition which addresses Reserve Component personnel eligibility, as described in the new Section 2 (6) (a) and (b), contradict each other: (6) (a) provides that the Ready Reserve (which includes active status Reserve Component personnel) are eligible; but (6) (b) states that personnel on active status in the Reserve Component are not included (therefore, not eligible) in the “Veteran” definition.

<hr/> <i>Sponsor’s Initials</i>	<hr/> <i>Date</i>	<hr/> <i>Budget Director’s Initials</i>	<hr/> <i>Date</i>
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